

186782

2005-13<sup>WS</sup>

DATE: June 21, 2007

TO: Charles Terreni, Public Service Commission

CC: Wyboo Plantation Utilities, Inc.  
Rob Tyson  
Dan Arnett  
Chad Campbell  
Willie Morgan  
Wendy Cartledge  
John Beach

FROM: Wyboo Plantation Owners Association  
Public Utilities Committee

SUBJECT: Wyboo Plantation Utilities, Inc.

**COPY**  
Posted: D. Deke  
Dept: SA  
Date: \_\_\_\_\_  
Time: \_\_\_\_\_

RECEIVED  
2007 JUN 22 AM 10:40  
SC PUBLIC SERVICE  
COMMISSION

This letter presents our concerns regarding Wyboo Plantation Utilities, Inc. (WPU) charging tap fees that are not in accordance with Order No. 2007-138.

We urgently request a final written order for Docket No. 2005-13-WS. We hope that this letter will clarify the confusion that currently exists. At the present time, because an order has not been finalized and clarified, we believe that tap fees are being charged in excess of the original order. We submitted the exhibits attached to this letter to the Office of Regulatory Staff, in May 2007, but we need the Public Service Commission (PSC) to clarify the intent of the original order. Your urgent help in this matter will be greatly appreciated.

WPU is charging water and sewer connection and tap fees that we believe were not approved by the PSC. According to a local building contractor, WPU is seeking a water tap fee of \$825 and a \$825 sewer tap fee for taps that already exist and which do not require any work to be performed by WPU. The PSC's order 2007-138 only allows collection of a tap fee if WPU actually performs the **necessary** work.

In Mr. Willie Morgan's pre-filed testimony for Docket No. 2005-13-WS he explained what the necessary work was to justify the \$825 tap fee. "ORS finds other costs associated with the connection charge to be excessive. Wyboo's proposed water meter connection charges substantially exceed actual installation costs. ORS obtained cost information from the installer of taps for Wyboo, Mr. Edward T. Barrett. Mr. Barrett provided ORS with cost information for installation of water connections as outlined in

Exhibit WJM-14. ORS recommends the Commission adopt and approve a water tap fee based on the following cost structure:

Material Labor Boring\*

Equipment

**3/4" Meter (New Customer) \$224.10 + \$250 + (\$700/2) ~ \$825**

**1" Meter (New Customer) \$363.80 + \$250 + (\$700/2) ~ \$965**

**2" Meter (New Customer) \$493.90 + \$300 + (\$700/2) ~ \$1145**

\*The Boring charge of \$700/2 or \$350 reflects the average cost of boring one hole that will serve customers on both sides of the street.

Since the cost of installing a sewer tap is very similar, ORS recommends that the Commission adopt and approve a similar rate schedule for sewer fees based on the following cost structure:

Material Labor Boring\*

Equipment

**Sewer Service Connection (New Customer) \$224.10 + \$250 + (\$700/2) ~ \$825**

These tap fee rates should enable Wyboo to recover the costs associated with establishing the initial service connection for water and sewer service. If Wyboo requires the customer to pay a contractor separately to install a water and/or sewer tap, then the Commission should not grant Wyboo a tariff for water and/or sewer service connection."

In response to data request 2.22 for Docket No. 2005-13-WS, WPU states that "During construction of the systems, the original construction company did not install Elder Valves anywhere within the utility system." However, in a letter from Mr. Bill Gregory, the contract developer of Wyboo Plantation, to Willie Morgan of ORS, Mr. Gregory states that these valves were installed. (See Exhibit 9)

Exhibit 1 shows a fax from WPU to Bobby Carter Construction, Inc. requiring a water tap fee of \$825 and a sewer tap fee of \$825 for 852 Bentwood Circle, lot number 31. Exhibit 2 pages 1 and 2 of 2 are pictures of lot 31 that clearly show that taps for water and sewer are already installed on the lot. The original developers of Wyboo Plantation installed these taps.

According to Bobby Carter, WPU has never connected any of his homes to the water or sewer system. He stated that he pays a septic tank contractor to connect a home to the system.

Exhibits 3 and 4 show other examples of taps on unimproved lots in Wyboo Plantation. Exhibit 5 shows taps on improved lots.

Since most lots in Wyboo Plantation already have taps in front of them, which were paid for as part of the lot price (see Exhibit 8), and building contractors are connecting homes to the water and sewer systems when septic tanks are installed, WPU's request for an \$825.00 connection fee for water and sewer, is inappropriate and is in violation of Order 2007-138.

DHEC, in its flow inventory of WPU's wastewater treatment plant, counted all unimproved lots in Wyboo Plantation against the disposal capacity of the plant. Apparently, DHEC acknowledges that most of the remaining unimproved lots in Wyboo Plantation have taps on them. DHEC's flow inventory is shown in Exhibit 6.

In another matter involving tap fees, Mr. Robert Sternberg, a local building contractor, asked WPU to transfer tap fees from 2 of his lots (L-33 and M-9) to different lots in Wyboo Plantation (R-20 and M-2). WPU informed Mr. Sternberg that the tap fees were not transferable. WPU did indicate that it would refund the fees for one of the lots (M-9). Since Mr. Mark Ard made the payment for tap fees for the other lot (L-33), WPU again denied Mr. Sternberg's request for a transfer and WPU did not offer Mr. Sternberg a refund. Subsequently, Mr. Sternberg proved to WPU that the payment was made on his behalf and Mr. Sternberg requested a refund. (Correspondence and copies of cancelled checks are included in Exhibit 7)

Both of the lots that Mr. Sternberg wanted to transfer the tap fees to already have taps on them and WPU will not have to perform any installation work. Per Order No. 2007-138, it appears that Mr. Sternberg would not be required to pay a tap fee.

We request that WPU be notified of this violation. If WPU does not cease charging for tap fees in violation of the order, we ask the PSC to resolve this issue once and for all.

#### **PUC Requests that the PSC find**

1. That most of the remaining vacant lots in Wyboo Plantation contain taps for water and, where required, for sewer.
2. That WPU, according to Order No. 2007-138, is not entitled to a water and/or sewer tap fee for these lots.
3. That WPU is entitled to collect a tap fee only if a vacant lot does not have a water and/or sewer tap and WPU has to bore under an existing road to install a tap.
4. That Mr. Sternberg should not pay tap fees for lots Nos. R-20 and M-2?

As of June 15, 2007 WPU has instructed the Clarendon County Planning Commission to not issue building permits in Wyboo Plantation without the written approval of WPU. In order to receive this written approval WPU is demanding payment of \$825 for a water tap and \$825 for a sewer tap whether or not WPU does any work on the lot. If WPU requests

a homeowner or a builder to pay a tap fee, in violation of PSC Order No. 2007-138, what should the homeowner or builder do?

How can WPU be stopped from charging unauthorized tap fees?

Exhibit 1

~~To: Wendy~~**FAX COVER SHEET**~~To: Donna~~**WYBOO PLANTATION UTILITIES, INC.****19 BROAD STREET  
P.O. BOX 2099  
SUMTER, SC 29151****OFFICE PHONE: 774-2010****FAX: 774-2012****TO:** Bobby Carter**FROM:** Wyboo Plantation Ut., Inc.**PAGES:** Incl. cover : 5**COMMENTS:** RE: 853 Bentwood Circle - 531/N-2

\$825.00 Water Taps }  
\$825.00 Sewer Taps } Prices for 3/4 in. Line Only.  
\$1,650.00

Make Checks payable to Wyboo Plantation Ut.

Thanks, Tina

ATT: The sewer & water taps are already  
in place on this lot. Photos to follow

EXHIBIT 2  
PAGE 1 of 2



EXHIBIT 2  
PAGE 2 of 2



Exhibit 3



Exhibit 4



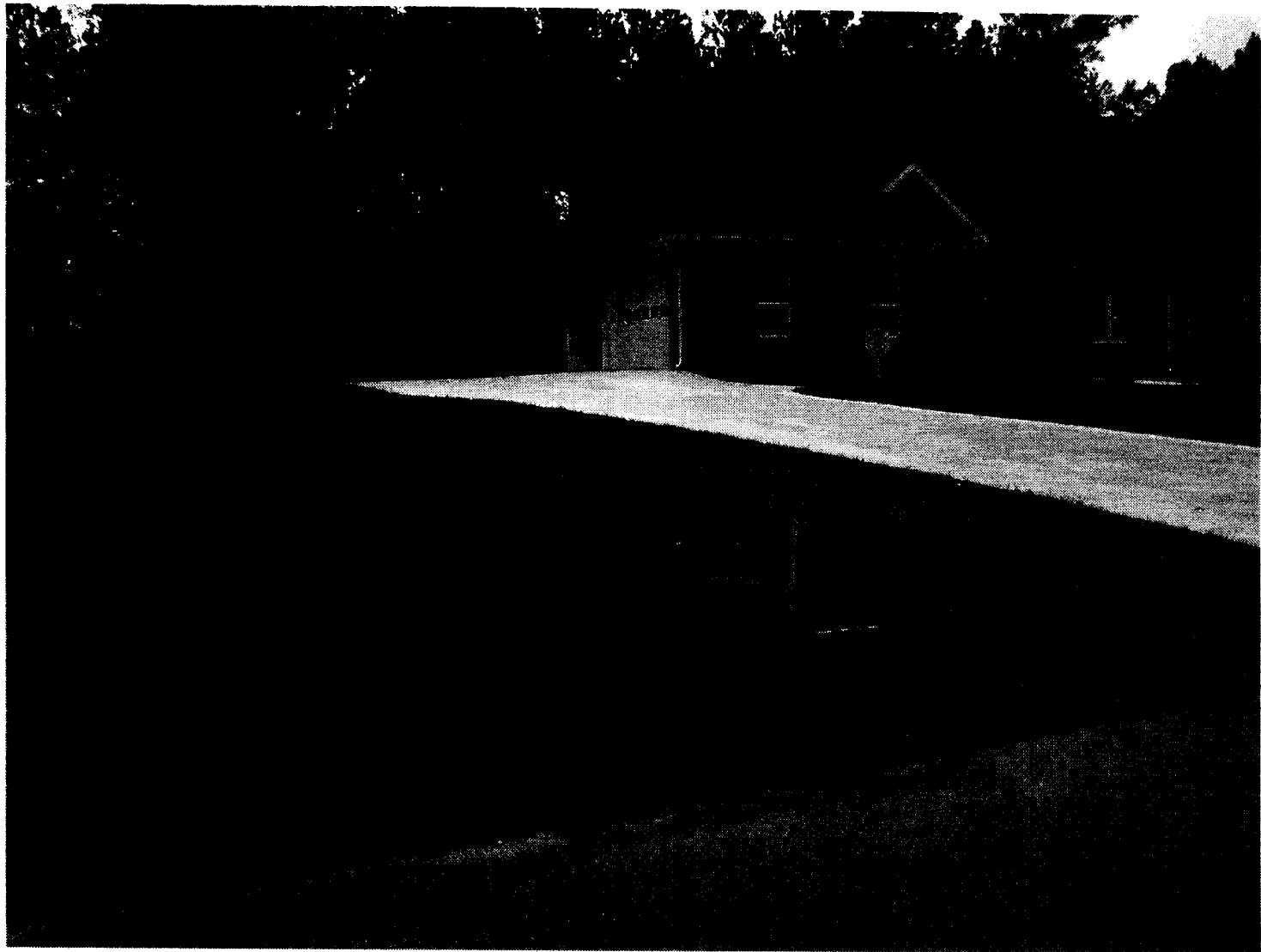


EXHIBIT 5

Exhibit 6

118-1188



# Flow Inventory by Facility

NPDES Number: MD0072427

Facility: WYBOO PLANTATION PHASE II

County: Clarendon

Design Capacity: 184,000

80%: 147,200

90%: 165,800

Effluent Disposal Capacity: (104,000)

Permitted Flow: 164,200

Pending Permitted Flow: 0

Advancement Agreement: N

Remaining Flow: 19,800

Projected Remaining Flow: 19,800

Pretreatment Program: H

Project Name	Permit Number	Issue Date	Flow-GPD	Cumulative	Remaining
BASE - NEW WWTP	N/A	08/31/1993	0	0	14,800
WYBOO PLANTATION NORTH LAKE COTTAGES	18775-DW	10/20/1993	14,800	14,800	0
UPGRD:0.015-0.1318MGD	N/A	05/08/1995	0	14,800	116,800
WWTP EXPANSION:0.132-0.184MGD	20485-DW	10/12/1995	0	14,800	109,200
WYBOO PLANTATION FORCE MAIN EXTENSION	20955-DW	04/19/1996	6,800	21,600	162,400
MILL CREEK SUBDIVISION	21982-WW	05/13/1997	16,000	37,600	146,400
WYBOO PLANT. LAKE ARBU & RIDGE LAKE DR	22954-WW	04/23/1998	20,400	58,000	126,000
WYBOO PLANTATION BLOCKS I, J, K	22963-WW	04/28/1998	22,800	80,800	103,200
WYBOO GOLF CLUB PHASE I WATER & SEWER	24402-WW	06/17/1999	26,000	106,800	77,200
WYBOO PLANTATION BLOCK D & BLOCK L	24538-WW	08/26/1999	21,400	128,200	55,800
DEERCREEK PLANTATION @ WYBOO CLUBWAY P2	24956-WW	12/10/1999	8,900	137,100	46,900
WYBOO UTILITIES, INC.	26170-WW	12/20/2000	31,500	168,600	15,400
WYBOO PLANTATION WAS IMP PH 1	32998-WW	08/26/2006	0	168,600	15,400
Adjustment unit loading 300 gpd/unit (251 units)		10/20/2006	-25,100	143,500	40,500
DEERCREEK PLANTATION PH 2	33183-WW	10/20/2006	20,700	164,200	19,800

# WYBOO PLANTATION UTILITIES, INC.

CERTIFIED MAIL

Item #2

April 18, 2007

Exhibit 7

PAGE 1 of 6

To: Mr. Robert Sternberg  
LGB, LLC  
1 Green Lake Dr.  
Manning, SC 29102

Dear Mr. Sternberg, LGB., LLC,

We have received your request on 10 April 2007 which was post marked 06 April 2007 (copies included). I believe your first request is to move tap fees paid from L-33 Lake Arbu (Mark and Stacy Ard) drive to R-20 on Ridge Lake Drive (Toby Jones). This house is almost completed and you have not already secured water and sewer service before building the residential building with a move in date of 06.15.07. The fees for L-33 were paid by Mark H Ard Check number 3887 for Steve Washaver. Therefore, the taps are secured by lot L-33 and are not transferable.

We will be able to assist you in your request to provide you with the appropriate taps to R-20 once you have applied for these services.

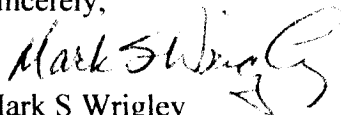
Your second request, you are requesting to move another set of taps from M-9 Oak Hill Drive to M-2 Oak Hill Drive. Once taps have been paid for to secure service for a particular Lot, it then becomes non transferable to another lot. However, we can refund the fees paid for M-9 since the new meter system has not been installed yet and no house has been built as of this date.

We will be able to assist you in your request to provide you with the appropriate taps to M-2 once you have applied for these services.

Remember that you as the contractor must apply for the water and sewer services on the contractor application for taps to be installed. All connection must be inspected by our staff before final approval will be granted.

Please let me know if you have questions regarding this situation.

Sincerely,



Mark S Wrigley

Cc: W. Thomas Lavender, Jr. Esquire  
Jocelyn G. Boyd, Esquire South Carolina Public Service Commission  
The Honorable Charles L.A. Terreni, Chief Clerk Public Service Commission  
Wendy Cartledge, Esquire Office of Regulatory Staff  
Willie Morgan, Program Manager – Office of Regulatory Staff  
Chad Campbell, Investigator – Office of Regulatory Staff  
✓Salley Lagree, Program Manager – Dept of Health and Environmental Control,  
Compliance Division

Shipping: 2665 Players Course Drive  
Manning, SC 29102

Mailing: PO Box 780  
Manning, SC 29102

Office – (803) 494-4370 Fax – (803) 494-8910

Exhibit 1  
PAGE 2 of 6

#3

April 25<sup>th</sup>, 2007

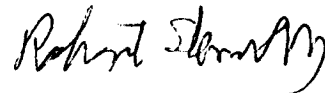
To: Mark Wrigley

Wyboo Plantation Utilities

Dear Mr. Wrigley, Wyboo Plantation Utilities,

We are in receipt of your letter dated 4/18/2007 (copy Attached). As you offered we are hereby requesting the refund of the fees paid for M-9 (\$1050.00) Enclosed is a self addressed stamped envelope.

Sincerely,



Robert Sternberg, LGB

CC: Dan Arnette, ORS

Wendy Cartledge, ORS

Willie Morgan, ORS

Chad Campbell, ORS

No refund received  
5/17/07  
[Signature]

June 15, 2007

To: Wyboo Plantation Utilities

RE: Lots 2-M Oak Hill Drive

& 20-R North Lake

From: LGB, Inc. /Custom Homes

On 4/6/07 we sent a request to swap pre-paid tap fees and also to notify you of homeowner's names and move-in dates (see item #1).

On 4/18/07 we received your response in which you offered to refund the \$1050 tap-in fees that were pre-paid for lot 9-M (see item #2).

On 4/25/07, we replied to you and requested the refund of \$1050 for lot 9-M that you offered in writing on 4/18/07 (see item #3).

<sup>5/25/07</sup> On 6/1/07, you met with Willie Morgan, Chad Campbell, and Doug Rhodes. During this meeting, you stated in front of all three that you would immediately refund the \$1050 from lot 9-M and LGB would agree to pay whatever, if any, tap fees for lot 2-M as established by the public service commission. As of this date 6/10/07 the aforementioned has not been done. Customers are about to move in, as we informed you on 4/6/07 and this certainly seems to be restraining our ability to conduct trade.

  
Robert Sternberg, President

LGB Inc.

April 23, 2007

To: Whom it may concern

From: Mark Ard

This letter is to clarify the sewer and water tap fee check for lot 33-L Lake Arbu Drive in Wyboo Plantation.

On 10/21/06, while in Sumter in my store(selecting appliances for a home under construction), Bob Sternberg of LGB, Inc. mentioned that while he was in Sumter he was going to drop off a check for Lot 33-L tap fees to The Wyboo Plantation Utilities office. Bob went to his truck and realized he had left his checkbook in Manning. Rather than have him drive back and forth, I wrote the check for him. (See attached check #3887.) LGB promptly reimbursed me with their check #3143.

Please contact me if you need further clarification.

Mark Ard

803-775-2737

Item #1  
 Exhibit 7  
 PAGE 5 of 6

MARK H ARD  
 STACY P ARD  
 607 COWINGTON ST. #H 803-773-0932  
 SUMTER, SC 29150

3887  
 67-160/532  
 44702

Stacy & Mark TAP

DATE 10.21.06

PAY to the order of MARC WELSH 4350 \$ 1050

On forward freq Dollars 500 no Dollars

BB&T  
 BRANCH BANKING AND TRUST COMPANY  
 1-800-BANK-BBT BBT.com

Stacy WASHAWKA L-33  
 WASHAWKA Do.  
 Signature

Security Features: See Back

TINA  
 These over & under tapes 450 & 650

are being moved to lot 20-R

NORTH AKE JONES  
 Tokyo

move in date 6/15/07

Notice of Confidentiality: This copy contains information from First Palmetto Savings Bank which is confidential. The information is intended for the use of the account owner(s) or their representative. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the contents of this information is prohibited.

**WYBOO PLANTATION UTILITIES, INC.**

**A PLANNING SCENARIO FOR PAYING THE COST OF INSTALLING A SEWER SYSTEM AND THE REPAIR AND MAINTANENCE OF THE SYSTEM, TO INCLUDE PARTS AND LABOR.**

Approx. number of lots to be developed 550 lots

**Cost of lots**

Custom-built on golf course \$25,000 to \$ 35,000

Custom-built on water \$45,000 to \$ 75,000

Patio- home on golf course \$ 22,000 to \$32,000

Patio- home on water \$45,000 to \$65,000

Number of lots not connected to sewer system 150 lots  
(blocks A,B and C to be on septic tank w/drain fields)

Number of lots on sewer system (550 - 150) 400 lots

Dollar amount priced into cost of each lot for total sewer system \$2000

al amount of planned dollars available for sewer system  
(400 lots x \$2000) \$800,000

Cost of sewer system (see closing documents for sale of utilities) \$250,000

Escrow dollars for up-keep, repair and maintenance of sewer system  
( \$800,000 - \$250,000) \$550,000

10/10/97



MEMO TO ALL WYBOO RESIDENTS

WYBOO UTILITIES, INC. IS A WHOLLY OWNED SUBSIDIARY OF WYBOO PLANTATION THAT OWNS THE WATER AND SEWER SYSTEMS SERVING WYBOO PLANTATION.

THE UTILITY COMPANY HAS APPLIED TO THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION FOR APPROVAL OF A SEWAGE SERVICE AREA AND A RATE SCHEDULE OF A TAP FEE OF \$500.00 AND A MONTHLY SEWER USAGE RATE OF \$20.00.

**THIS TAP FEE & MONTHLY FEE DOES NOT APPLY TO ANY LOTS OR HOMES IN WYBOO PLANTATION. ALL WYBOO PLANTATION TAP FEES ARE INCLUDED IN LOT COST. THERE ARE NO MONTHLY CHARGES FOR SEWER IN WYBOO PLANTATION.**

WYBOO UTILITIES, INC. WILL BE FURNISHING SEWER TO AREAS OUTSIDE OF WYBOO PLANTATION AND THESE RATES APPLY TO THOSE AREAS.

**NOTICE:**

WYBOO UTILITIES WILL BE WORKING ON THE WATER SYSTEM ON WEDNESDAY, OCTOBER 15, 1997. WE ARE INSTALLING A STATE OF THE ART CHLORINATION SYSTEM TO IMPROVE THE BALANCE. THERE WILL BE LIMITED WATER PRESSURE AND NO WATER FOR A BRIEF PERIOD OF TIME DURING THIS OPERATION. PLEASE DO NOT USE ANY YARD IRRIGATION AT ALL AND MINIMIZE YOUR WATER USAGE ON WEDNESDAY.

NORMAL WATER PRESSURE WILL CONFIRM OPERATION IS COMPLETED.

THANKS FOR YOUR COOPERATION.

BILL GREGORY

**NOTICE TO ALL GOLFERS:**

WYBOO HAS COMPLETED A GRAVELED PATH FROM THE BOAT SLIPS AT ALKE ARBU TO THE BACK OF THE NINTH TEE. PLEASE USE THIS ROUTING TO THE CLUB HOUSE TO AVOID CROSSING PATIO LOTS FROM RIDGE LAKE DR.

Memo

October 19, 2006

To: Mr. Willie Morgan  
Office of Regulatory Staff  
Fax 803-737-0801

From: Bill Gregory  
Contract Developer of Wyboo Plantation-Retired

I have reviewed the responses of John F. Beach to your request Dated October 13, 2006.

Section 2.22

The response says "During construction of the systems, the original construction company did not install Elder Valves anywhere within the utility system".

This is a total misrepresentation. According to Timmons Engineering plans approved by DHEC, Barrett Construction installed a 2" brass valve in the sewer collection line at every patio home. James Septic Tank Company has a package price to furnish all labor and material to install the complete STEP tank system on lot, including Electric hook up and drain line into 2" valve at collection line. This cost is included in the contractor's price to owner. Wyboo Plantation Utilities is not involved in this installation and has no cost.

It appears to me that if a disconnection is required for lack of payment, both water & sewer would be involved. When you cut off the water you have cut off the sewer!!

Section 2.24

The letter provided you dated May 7, 2002 from Wayne Stokes, Manager Construction Permitting Section of DHEC, to Mark Wrigley, Wyboo Plantation Utilities clearly states DHEC's regulation, period.

Section 2.29

The statement that the utility has plans on the drawing board for an upgrade of the wastewater treatment plant for at least \$1.2 million dollars is completely unreasonable and out of line. The utility needs to supply the requirements for the approved franchise area. This would be a fraction of the stated cost.